

OVERVIEW OF THE TRANSFER OF DEVELOPMENT RIGHTS COMMITTEE REPORT

Maryland Smart Growth Commission

July 25, 2016

Denton, Maryland

INTRODUCTION

- Secretary Craig's initiative
 - Compare local TDR programs in Maryland
 - Identify and remove obstacles to TDR programs
 - Develop a TDR assessment approach

TDR COMMITTEE MEETINGS

Full TDR Committee
Met twice in Baltimore

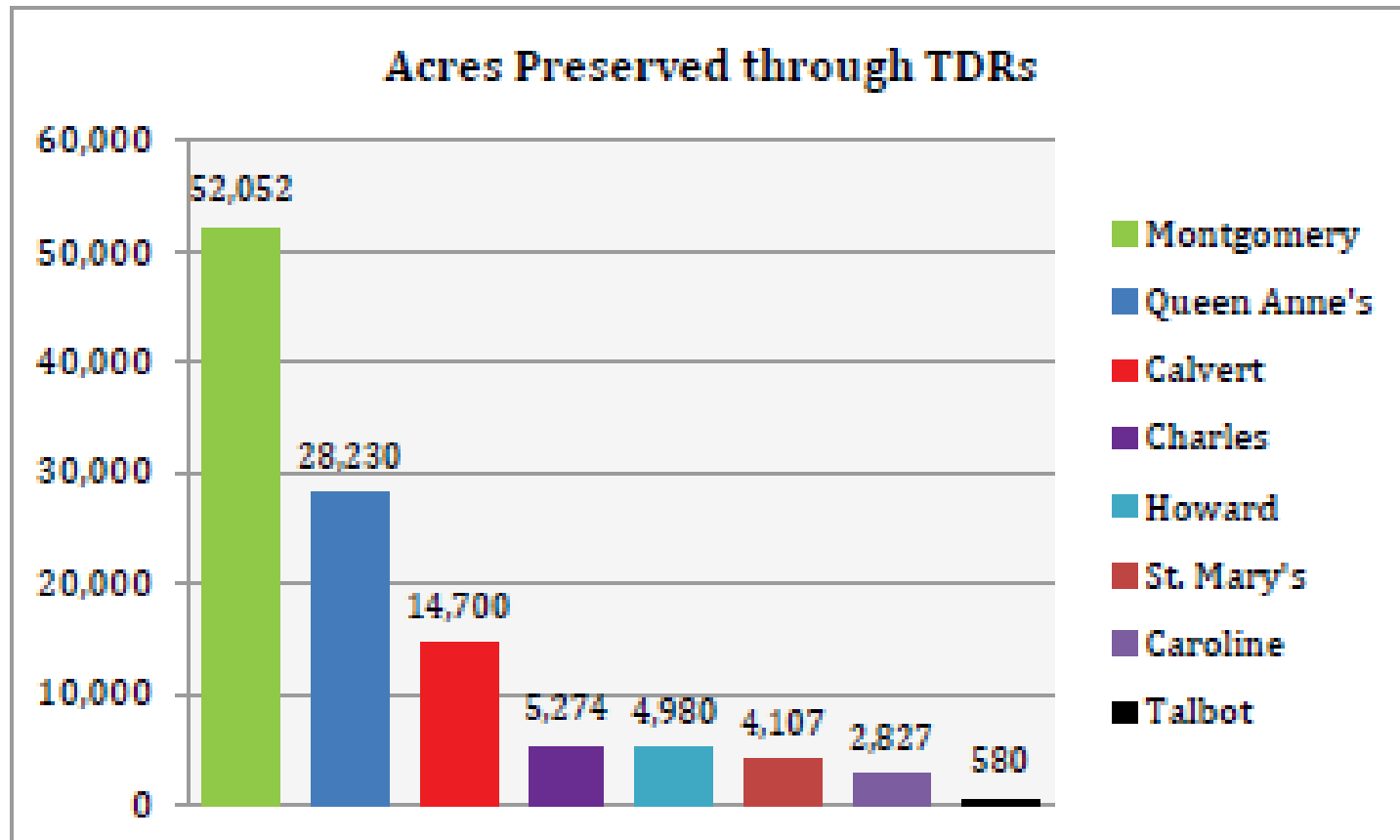
Regional Meetings
Four region meetings held

SENDING AREA: Rural / environmentally sensitive land planned for preservation.

RECEIVING AREA: Land where development is desired and planned for.



MARYLAND COUNTIES WITH TDR PROGRAMS

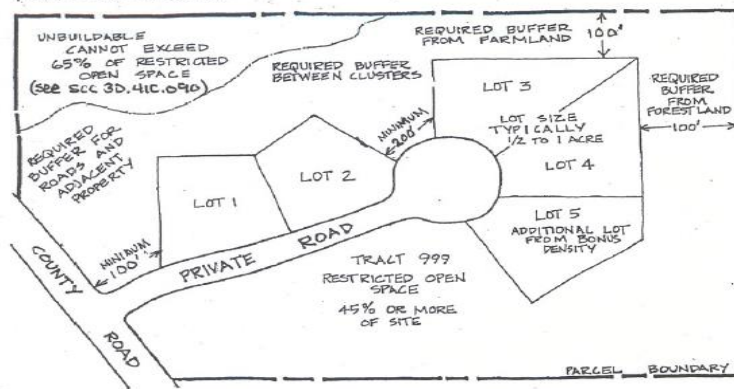


FOUR ESSENTIAL FACTORS FOR LONG-TERM SUCCESS

1. Incentives to Sell Development Rights:

Sell farmland, subdivide on-site OR Sell more rights and keep farm intact

RURAL CLUSTER SUBDIVISION
(FIG 1 - NOT TO SCALE)



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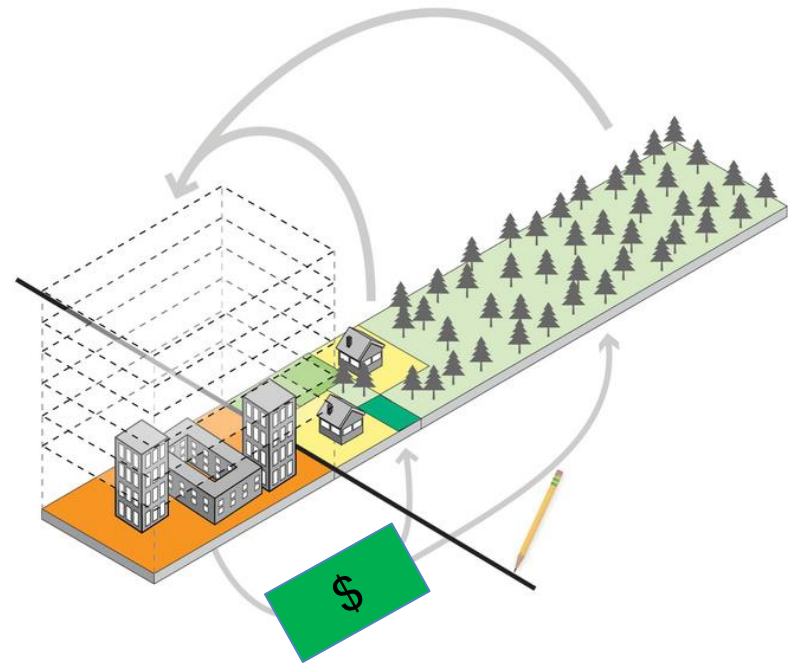
FOUR ESSENTIAL FACTORS FOR LONG-TERM SUCCESS—(CON'T)

2. Incentives Should Exist in Receiving Zones

Allow Fewer Units by Right

/

Buy TDRs and Build More Units



FOUR ESSENTIAL FACTORS FOR LONG-TERM SUCCESS (CON'T)

3. TDRs Should Be Predominant Option for Bonus Density
4. Ideally, a TDR Program Should Move Development Rights from Rural to Growth Areas

Zoning Ordinance Density Bonus Chart Example

Incentive	Criteria	Bonus Calculation
Transfer of Development Right	Located in Receiving Area	For <u>each</u> unit transferred from sending area, <u>four</u> additional units can be allowed above the base permitted density.

FINDINGS FROM REGIONAL MEETINGS

- Only three counties (Charles, Montgomery, and St. Mary's) reported demand in TDR receiving areas.
- Importance of Interjurisdictional TDRs
 - Municipalities can be ideal receiving areas: they have infrastructure for growth.

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FINDINGS FROM REGIONAL MEETINGS

- Downturn in real estate market dampens TDR demand
- Financial impact of state & local laws/ regulations
- Changing market led by Millennials & retirees

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RECOMMENDATIONS

1. Create incentives so landowners benefit from sale of TDRs in ways otherwise not possible
 - Allow more development rights to be sent than built on site
 - Use local preservation funds to buy some TDRs and retire them

*Increase Built-in Incentives to
Sell Development Rights*

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RECOMMENDATIONS

2. Reduce by-right density & require TDRs for additional units
3. Provide other incentives for developers in receiving areas

*Creating Demand for Bonus Density
(or Equivalent) in Receiving Areas*

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RECOMMENDATIONS

- 3a. Revise Local Side POS priorities to reward municipalities that accept TDRs
- 3b. Encourage municipalities that accept TDRs to apply for Community Parks & Playgrounds funds, possibly with a non-profit partner



*Creating Demand for Bonus Density
(or Equivalent) in Receiving Zones*

RECOMMENDATIONS

- 3c. Prioritize other capital funding (e.g., public school construction, water/sewer, streetscaping) for TDR receiving areas
4. Track data about TDR transactions to inform revisions to the program



*Creating Demand for Bonus Density
(or Equivalent) in Receiving Zones*

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RECOMMENDATIONS

5. Exception to Density Bonuses:
Encourage the construction of
affordable housing in TDR projects in
receiving areas

*Reserve Bonus Density
Predominantly for TDRs*

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RECOMMENDATIONS

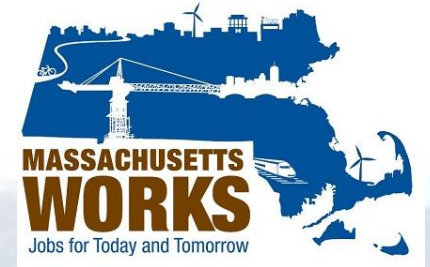
6. Consider transforming rural-to-rural TDR programs into rural-to-growth areas programs.
7. Improve the effectiveness of rural-to-rural TDR programs when rural-to-growth-area programs are not feasible

*Move Development Rights
from Rural to Growth Areas*

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RECOMMENDATIONS

8. Consider adapting Massachusetts' MassWorks Infrastructure Program to support municipal TDR receiving areas



9. Waive 5-year delay provision for municipal annexation of county land in interjurisdictional TDR agreements

*Move Development Rights
from Rural to Growth Areas*

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RECOMMENDATIONS

10. Amend easement ranking formulas to create greenbelts around towns that become TDR receiving areas
11. Take actions to reduce the cost for municipal implementation of Total Maximum Daily Load (TMDL) or storm-water (MS4) permit requirements

*Move Development Rights
from Rural to Growth Areas*

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ONGOING ROLE OF THE DEPARTMENT OF PLANNING

- Technical Assistance to Counties
- Periodic Reconvening of the TDR Committee



LAND PRESERVATION SUBCOMMITTEE'S RECOMMENDATIONS ON TDRs

- Interjurisdictional TDR pilot project for which a county & one of its municipalities can volunteer
- MDP assistance to hold charrettes & create form-based codes to design TDR receiving areas



DISCUSSION / NEXT STEPS

1. Questions, Comments?
2. Which recommendations interest or concern the Commission most?
3. What additional recommendations should we consider?
4. Next Steps?

PLEASE SEND US YOUR IDEAS, SUGGESTIONS & OUTREACH PROSPECTS

Daniel Rosen

Maryland Department of Planning

410-767-4577

Daniel.rosen@maryland.gov